NPI FACT SHEET   APRIL 2006

What is a NPI?

On January 23, 2004 the Centers for Medicare & Medicaid Services (CMS) published the final rule for the National Provider Identifier (NPI). The rule establishes a standard for using a nationally assigned NPI that will be required for all electronic health care transactions. All providers who submit health care transactions electronically must begin using the NPI by **May 23, 2007.** The NPI will replace health care provider identifiers (i.e. Medicaid Provider ID, Medicare Legacy ID, commercial insurance provider IDs) that are in use today. Implementation of the NPI will eliminate the need for health care providers to use different identification numbers when conducting HIPAA standard transactions with multiple health plans.

This will be a 10 digit all numeric number that does not offer information about the provider.
This number will eliminate the need for other identifiers with all health insurers (Medicare, Medicaid, BC/BS, Delta Dental, etc…).

As of the compliance dates, the NPI will be the only health care provider identifier that can be used for identification purposes in standard transactions by covered entities

How do I get a NPI? Do I need one?

All health care providers are eligible to obtain and use a NPI.

Medicaid will **require** NPI on paper and electronic claims. That means that all Medicaid Providers who are eligible to receive a NPI must obtain and use a NPI.

Providers who do not provide health care as defined by CMS but do provide health related services, non-emergency transportation, respite services, and adult foster care, are not eligible to obtain a NPI.

https://nppes.cms.hhs.gov/ - For Application and Enumeration

What are subparts?

CMS requires that the legal entity of an organization health care provider enumerate a subpart if the subpart would be considered a covered health care provider as a separate legal entity.

Subparts are components of the organization.

If a subpart conducts their own standard transactions, they must obtain an NPI.

It is up to the organization provider to determine what subparts need a NPI to be identified on transactions.

If you are unsure whether you are a subpart of your organization you must consult the greater legal entity of your organization for their decision.

Examples of subparts:

Hospitals may determine subparts to be rehabilitation units, psychiatric units, acute care services, therapy services, renal dialysis, surgical centers, etc…

Pharmacies, DME suppliers, Home Health agencies, laboratories, etc., may determine each physical location as a subpart. DME providers must have a NPI for each location.

Group practices may determine each physical location to be a subpart.

Things to start thinking about...

Assess provider numbers currently in use?

Do you have multiple numbers for same payers?

Do certain provider numbers receive a different/unique reimbursement rate?

Do certain provider numbers represent a service location?

Will your practice management system or clearinghouse require changes to accommodate the new NPI?

What will your system do with the numbers being replaced?

Do you have any logic in your system tied to your current provider numbers and/or will new logic need to be added for the NPI?

Will these impact your paper claims also?

Why should you analyze your billing process?

Individual providers are only assigned one NPI number.

Organizational providers are allowed multiple NPI numbers for subparts.

It is the provider's responsibility to identify and enumerate its subparts.

Your internal system may require changes to accommodate NPI.

Where do I go for updates?

- www.michigan.gov/mdch >>Providers>> National Provider Identifier (NPI)
- http://www.cms.hhs.gov/NationalProvIdentStand - Full policy and Medicare Recommendations
- http://www.wedi.org/ - Provider based NPI Workgroups and Analysis (Subparts)
- https://nppes.cms.hhs.gov/ - To apply for a NPI
- http://www.wedi.org/npioi/ - The WEDI - NPIOI (Outreach Initiative)

NPI Capture
- https://sso.state.mi.us - Report your NPI to MDCH. For further instructions on use of this application go to: www.michigan.gov/mdch >>Providers>> National Provider Identifier (NPI)